PILE

App. F. IX-4

Previous References 1934. (8.9.)

File No. 431-34

Serial Nos. 1-4

Later References.

PRESERVED

Reserve

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Jan

Part B for Jan 35

SUBJECT.

Request from M. S. Ganesha Iyer for the release of the L.I. Bonds of the face value of Rs 5,500/- allotted to him on his Insurance Policy

(8 4)

To Fr 5623 of 10. 1. 35

WD 01965—GPB—15,000—7-7-34

To the Comptroller

Leads for a detailed note showing the facts

Case etc

40-3/9

1658
Fl

General and Revenue Secretariat G.F. File No. 431 of 1934 [App. F. III—2

Serial No.	
1.	From Mr. M. S. Ganesa Iyer, Letter dated 7-6-34 States that the Secy, M.S.H.D.C. has agreed to allot 4% Bonds on his Insurance Policy No. 22/C. 18.
2.	To the Secy, M.S.H.D.C & the Comptroller No. Fl. 3041 dated 27/9/34 Calls for a report.
3.	From the Secy, M.S.H.D.C. Letter No. 7791 dated 6.10.34 States that the request of Mr. M.S. Ganesa Iyer may be granted No reply has yet been received from the Comptroller. It appears necessary to ascertain from the Insurance Office the conditions under which, it agreed to allot 4 per cent bonds. IW 19/10 To Comptr c/o with Compliments for a report.

W.O. Fl. 7% 25.10.34.

Sd/2 dto. 257/Spl 25/10

Grs. Ewr. Yps. 1 1

Dr. o. 216/Spl 5/11/34

2/11/10

25/10/34.

U.O.No. 14440 /S.L. Dated: 2nd November 1934.

Returned with compliments.

2. Government Order No.Fl.3881/G.F.241-33-2 dated 16-1-1934 clearly states that the 4% Bonds of 1953-63 should be given to the Policy holders in lieu of the amounts due on their policies on their maturity. The issue of bonds to insured persons before maturity of their

NOTE—Contn. Sheet.

WD 01955—GPB—22,500—12-6-34

their policies is not covered by the provisions of the G.O. and is a matter for such special orders as Government may deem fit to pass.

3. The present case is also different from those where the bonds ~~were~~ reserved for some insured persons who had applied at the time of issue of the loan, were subsequently given away ~~to them~~ in one case in exchange at par for cash, and sold in the other case under special orders of Government and the proceeds credited to the Insurance Fund. Mr. Ganesha Iyer had not asked for any bonds to be so reserved for him in the beginning.

4. The case of Mr. Ganesa Iyer is not on all fours with the precedents referred to, since his application has been preferred later long after the floatation of the loan.

5. In the case of the two precedents referred to, the officers had made their request for the bonds at the time of the floatation of the loan when it was open, and it has also to be stated that they took their chance of appreciation or depreciation in the value of the securities then alone. Mr. Ganesa Iyer's request is only received at present and is apparently to be treated as practically a case of sale which is not quite within the spirit of the Government Order.

6. The rate at which Mr. Ganesa Iyer wants the bonds to be made available now before the date of the maturity of his policy is also much lower than the current market rates.

Comptroller.

2.11.34

To

The Financial Secretary, with compliments.

Serial No.

Mr. M. S. Ganesa Iyer states that the Secretary, Mysore State Life Insurance Committee, has agreed to allot him 4% Bonds for Rs 5500 at Rs 105 on his Insurance Policy No. 22/C. 18, and requests sanction to the delivery of the above bonds on his payment of cash of equivalent value in the State Huzur Treasury.

The letter of the Insurance Committee is silent about the statement of Mr. Ganesa Iyer that the Committee has agreed to allot the Bonds referred to above. Information is also not available to the date of maturity of his policy.

The Secretary, Insurance Committee, however ~~states that~~ points out the desirability of laying down a general rule that the sale of bonds held by the Insurance fund should be effected to the Policy holders only when they ask for it during the year of the maturity of the Policy, in order that it may prevent the Insurance fund from being utilised for speculative purposes.

In the present case, it is not quite clear whether any Bonds are now held by the Insurance fund on behalf of Mr. Ganesa Iyer, in accordance with the terms laid down in G O No. Fi 3881 G F 241-33-2 dated 16th January 1934. From the Comptroller's note, it appears that Mr. Ganesa Iyer had not asked for any bonds to be reserved for him in the beginning (when the loan list was open). If this be the case, the request of Mr. Ganesa Iyer to deliver Bonds at a certain price (below market price) before the Policy

H

NOTE—Contn. Sheet.

WD 01955—GPB—22,500—12-6-34

1658

File No. of 193 . | General and Revenue Secretariat

ctually matures, is inadmissible, and has perhaps to be negatived.

Submitted for orders.

2-11-34

H Seey) 9.11.34.

The facts are not clear - The form of order relating to the purchase by the Insurance Fund of bonds of the value of 3½ lakhs and the manner in which it shd be made available to the Insured persons has not been referred to - It may be best to put up - The Insurance Office may clearly explain what exactly it has agreed to do for Mr Ganesha Iyer - Have bonds been already allotted to and reserved for him & or he is asking for an allotment now - ? If they have been already allotted what are the conditions of such allotment ? It is stated that this is not a case coming under G.O. dated 16.1.1934.

10/11/34

10/11/34.

10136 XX

MYSORE STATE OFFICE
No 2171
13 NOV. 1934
Enc. .....

General and Revenue Secretariat | File No. | of 193 . | [App. F. IB

Serial No.

Forwarded with compliments to the Secretary, Mysore State Life Insurance Committee, Bangalore, for favour of furnishing information referred to in 'A' of the Financial Secretary's note above.

By order,
M. Shamanna
For Financial Secretary.

12-11-34.

23 NOV. 1934

No. 9428

4

Returned with compliments.

This office has agreed to reserve bonds for Mr.Ganesa Iyer for the face value of Rs 5,500/-. These Bonds are, in the absence of other orders, to be issued to the Insured only on the maturity of his Policy. The premium of Rs 275/- due has been agreed to be recovered out of the assurance amount, when payable. The reservation of bonds in favour of Mr.Ganesa Iyer was made under Government Order of 7-3-1934.

24 NOV 1934

G. Keshava Rao
For Secretary,
Insurance Committee.

KS/7/11/4

The 4% bonds of the Insurance office are intended to be made available to the Policy Holders. Mr Ganesha Iyer one of the Policy holders has applied to the Insurance office and that office has reserved for him bonds of the face value Rs 5,500.0. at a premium of 5% - apparently their market value when they were Ear marked for him: They are therefore

NOTE—Contn. Sheet.

WD 01955—GPB—22,500—12-6-34

1658
71

File No. of 193 | General and Revenue Secretariat

his bonds whether the market rate goes up or down in future and he must take them and cannot take Cash instead. The Insurance office thinks that the bonds should not be delivered to him now - taking their value in Cash as offered by him - but can be given only when the policy becomes payable. This is suggested to prevent him from making the Insurance Fund a source of speculation and carrying on a number of transactions of purchase & sale through it. This is one View. Per Contra it may be said that as the bonds are his and he has entered into a definite irrevocable agreement to take them at 105 %, there is no harm or impropriety in allowing him to take his bonds at any time having their Cash Equivalent. This is being allowed in the case of all applicants in the State Provident Fund. Neither the Insurance Fund nor the Government lose anything thereby. The interest that falls payable viz 4½ % remains the same. So far as the Insurance Fund is concerned it makes a distinct profit in getting the 5 % premium immediately instead of some years later when the Policy becomes payable. The request may be sanctioned I think, in these circumstances. To prevent the speculation feared by the Comptr. it may be laid down that a person who has once taken advantage of this scheme and taken bonds will be regarded as having exhausted his Chance of taking them and not allowed to take them again.

(2nd Order Sidewise)

31/12/13

General and Revenue Secretariat | File No. | of 193

Serial No.

L.S. 22
4/12

The request seems to be an extraordinary one but it is not clear what the correct facts are — Is this a policy of Public Branch? The paper re agreement to reserve bonds may be put up. When does this policy mature & if it has not matured, how does the question of payment at all arise. A clear note on these points may be put up & I shd like to discuss this with the Compt.

JPZ
27/12

Draft D.O. to the Comptroller submitted for approval.

Z
6-1-35
MW
7/1

H Seey 7-1-35.

8/1/35

Issue
8/1/35.

H 5623 of 10/1/35

SECTT.

Yes

Z
10-1-35
MW
12/1/35

May perhaps be recorded for the present

Z
30-7-35

03
ZW
30-7-35

NOTE—Contn. Sheet.

M. S. GANESA AIYAR,
SURVEY OF INDIA.

C.7-431-34-1

SUNDARA BHAVAN,
BASVANGUDI.
Bangalore

24th September 1934.

To

The Financial Secretary,
To the Government of His Highness the Maharaja
of Mysore, BANGALORE.

Dear Sir,

Policy No.22/C.18.

The Secretary Mysore State Life Insurance Committee Bangalore has agreed to allot me 4% Bonds for Rs.5500/- @ Rs.105/- on my insurance policy No.22/C.18.

I request that you will kindly sanction the delivery of the above bonds on my payment of cash amount of equivalent value in the State Huzur Treasury.

Yours faithfully,
M.S. Ganesaiyer

26 SEP 1934
GENL. & SECTT.

Draft

C.7-431-34-2

Letter dt 24.9.34 from Mr. M.S. Ganesa Iyer Survey of India, Sundara Bhavan, Basavangudi

FC 3041-2 copy of the above is forwarded with compliments to the Comptroller to Govt / Secy, State Life Insurance committee, for a report.

Issue 27/9

for H: Secy.

G.2-431-34-3

M. S. L. I.
20.

MYSORE STATE LIFE INSURANCE OFFICE.

In reply please quote—
No. 2791
Encl.

BANGALORE,
Dated, the 16th October 1934.
No. 6

FROM
FINANCIAL DEPT. 11 OCT. 1934 C. 658
A. RAGHAVA CHAR, Esq., M.A.,
Secretary, Mysore State Life Insurance Committee,
Bangalore.

To
S. SHAMANNA, Esq., B.A.,
Financial Secretary to the Government of His Highness
the Maharaja of Mysore, Bangalore.

SIR,

Re: Issue of State Loan Bonds to Mr.M.S.Ganesa Iyer

With reference to your Memo No.Fl.3041/G.F.-2 dated 27-9-34, I have the honor to state that the present request of Mr.Ganesa Iyer is obviously based upon precedents quoted in the margin and if the request is to be sanctioned on the basis of similar considerations, it will be necessary for the Insurance Fund to be reimbursed the excess half per cent interest on the face value of the Investment to be released by Mr. Ganesa Iyer against his extra payment, since at present the Fund is getting a return of 4½% on this balance. This excess of half per cent interest may perhaps be allowed to be recovered from the date of the issue of these Bonds from Mr. Ganesa Iyer along with his premium up to the date of maturity of his Policy.

G.O.No.Fl.1275-5/G.F.33-34-2 dated 6th August 1934.

G.O.No.Fl.2435-6/G.F.21-34-4 dated 7th September 1934.

I might, in this connection, suggest for the consideration of Government that it may be laid down as a general rule that the sale of these Bonds or other Securities held by the Insurance Fund should be effected to the Policy Holders, only when they ask for it

P.T.O.

during the year of the maturity of the Policy. Such a provision is likely to prevent the Insurance Fund from being utilised for speculative purposes.

I have the honor to be,

Sir,

Your most obedient servant,

G Keshava Rao

For Secretary,
Insurance Committee.

KS/am 6/10.

D O Fe 5623

07 10/1/35

To

The Comptroller and
the Secretary State Life Insurance
Committee,
Bangalore.

G.7-431-34-4

Dear Mr.Raghavachar

With reference to correspondence ending with Unofficial Note No.9428 dated 23rd November 1934, regarding the request of Mr.M.S.Ganesha Iyer, for the ~~abbbbbbb~~ delivery of 4% Bonds of the face value of Rs 5,500 allotted to him on his Insurance policy No.22/C 18, I am desired to request you to kindly send a detailed note showing the full facts of the case and explaining clearly whether the policy is one of public branch, when it matures, and if it has not matured how the question of payment now arises, etc and also to ~~pppp~~ send the papers connected with the agreement to allot bonds. I am to add that the ~~mmm~~ Second Member ~~would~~ likes to discuss this with you.

Yours sincerely,

6-1-35

A.N.Raghavachar, Esq., M.A.,
Comptroller & Secretary State
Life Insurance Committee.